



Dialogue Session on Registration Fees and Request for Comments on the Fee-Setting Process

- What:** Dialogue session to get public input on registration fees and the process DPR will use to periodically reassess and adjust them. *Comments may also be submitted in writing to the address below.*
- When:** 1:00 to 3:00 p.m., May 2, 2006
- Where:** Byron Sher Auditorium, Cal/EPA Headquarters Building
1001 I Street, Sacramento

(Note: The registration fee dialogue session will be at the conclusion of a two-day Registration Branch workshop on Assembly Bill 1011. Admission to the full workshop is \$30. For more information, go to www.cdpr.ca.gov, and click on "Registration." There is no admission charge for those who wish to attend only the dialogue session on registration fees.)

Background

In January 2004, a new law (Senate Bill 1049, Chapter 741 Statutes of 2003) required the Department of Pesticide Regulation (DPR) to set its fees at a level that covers the costs of the registration and licensing programs. When we put the new fees in place in 2004, we knew that more work lay ahead to make managing the fee authority transparent, fair and responsive.

In May 2004, we held a workshop to explain how we set fees and to get public comment on how we should manage and adjust the fee schedules. In response to the 2004 workshop, we committed to hold another workshop in 2006 to review data for the 2004-05 fiscal year, including fee revenues and costs to manage the registration program.

Registration fees are now \$750 for each application or renewal. In 2004-05, registration activities cost DPR roughly \$10.8 million and revenues amounted to \$9.0 million. (See "Summary of Fees by Function" on DPR's Web site, www.cdpr.ca.gov/docs/planning/performance/costacct.htm.)

We would like to hear from regulated industry and other interested parties on various approaches to restructure fees to produce the necessary revenue. We also would like input on our plan to set up a clear and predictable cycle to review fees and also determine what level of shortfall or over-collection of fees (in comparison to spending) should trigger adjustments.

Proposed Fee Review and Adjustment Criteria

We propose to evaluate the fee structure every third year and make any needed fee adjustments in the fifth year. This would mean that DPR would not change the fee schedule until after we evaluate data for the 2004-05 through 2006-07 fiscal years. Based on that evaluation, DPR would not make any registration fee changes until January 2009.



Furthermore, we propose to adjust registration fees only if disparities between revenue and costs are greater than 10 percent.

We would share data on revenue and costs and seek public comment before changing fees.

Dialogue Discussion Items

We would like your input on the following:

- Do you support the current fee schedule and DPR's proposed fee review and adjustment criteria?
- We are required to support the registration with fee revenue. However, we can adjust the fee schedule (lowering some fees, increasing others) to produce the necessary revenue. Are there changes to the fee structure DPR should consider?
- Are there registration functions for which we should be charging that we are not? Similarly, should we eliminate some fees?
- Under the law, DPR is expected to set registration fees at a level that will cover the cost of registration activities. We are still in the early years of developing a process and schedule on periodic fees adjustments that may be necessary, based on changes in program costs and revenue projections. What interval do you think DPR should use to evaluate whether fees need to be adjusted?

How to Comment

We will be accepting oral comments at the dialogue session. Written comments may be sent by June 1, 2006 via e-mail to feeinput@cdpr.ca.gov, fax to 916-324-1452, or postal mail to: Department of Pesticide Regulation, Executive Office, Attn: Fee Comments, P.O. Box 4015, Sacramento, CA 95812.

Next Steps

We will present a summary of comments and our recommendations to the Pest Management Advisory Committee for its input before making a decision by the fall of 2006.